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DEVELOPMENT AND INTERNATIONAL COOPERATION:

SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

TRANSNATIONAL CORPORATIONS

Report of the First (Economic) Committee

A. Science and technology for development

1. The First (Economic) Committee considered the question of science and technology for development (agenda item 8 (c)) at its 13th, 14th and 16th meetings, on 19 and 23 July 1991. It had before it the report of the Intergovernmental Committee on Science and Technology for Development on its eleventh session (A/46/37). 1/

2. At its 13th and 14th meetings, the Committee held a general discussion on questions of science and technology for development (agenda item 8 (c)) and transnational corporations (agenda item 8 (d)).

3. At the 13th meeting, on 19 July, the Committee heard an introductory statement by the Deputy Director of the Centre for Science and Technology for Development.

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4. Also at the 13th meeting, statements were made on both questions by the representatives of the Netherlands (on behalf of the States Members of the United Nations that are members of the European Community), Zambia, Togo, the Ukrainian Soviet Socialist Republic, Canada, Yugoslavia, Malaysia, the Union of Soviet Socialist Republics, Czechoslovakia and Algeria and the observer for Norway (on behalf of the Nordic countries).

5. At the 14th meeting, on 19 July, statements were made on both questions by the representatives of Japan, Romania, Kenya and Chile and the observer for Venezuela. The representative of the World Bank also made a statement.

Report of the Intergovernmental Committee on Science and Technology for Development

6. At the 16th meeting, on 23 July, on the proposal of the Chairman, the Committee decided to recommend to the Economic and Social Council that it take note of the report of the Intergovernmental Committee on Science and Technology for Development on its eleventh session (A/46/37) (see para. 7 below).

RECOMMENDATION OF THE FIRST (ECONOMIC) COMMITTEE

7. The First (Economic) Committee recommends to the Economic and Social Council the adoption of the following draft decision:

Report of the Intergovernmental Committee on Science and Technology for Development

The Economic and Social Council takes note of the report of the Intergovernmental Committee on Science and Technology for Development on its eleventh session. 1/

B. Transnational corporations

8. The First (Economic) Committee considered the question of transnational corporations (agenda item 8 (d)) at its 13th, 14th and 18th meetings, on 19 and 24 July 1991. It had before it the following documents:

(a) Report of the Commission on Transnational Corporations on its seventeenth session (E/1991/31); 2/

(b) Report of the Secretary-General on efforts by the United Nations to address the issue of corrupt practices (E/1991/31/Add.1).

9. At its 13th and 14th meetings, the Committee held a general discussion on the questions of transnational corporations and science and technology for development (see paras. 2, 4 and 5 above).

10. At the 13th meeting, on 19 July, the Committee heard an introductory statement by the Executive Director of the United Nations Centre on Transnational Corporations.

Recommendations contained in the report of the Commission on Transnational Corporations

11. Chapter I, sections A and B, of the report of the Commission on Transnational Corporations on its seventeenth session contained three draft resolutions and one draft decision recommended for adoption by the Council.

12. At the 18th meeting, on 24 July, the Vice-Chairman of the Committee, Mr. Ahmed Amaziane (Morocco), informed the Committee of the results of the informal consultations held on the recommendations contained in the report and amended draft resolution I by deleting the word "proposed" before the words "repeal of the major apartheid laws" in operative paragraph 1.

Activities of transnational corporations in South Africa

13. At the 18th meeting, on 24 July, the Committee adopted draft resolution I entitled "Activities of transnational corporations in South Africa", as amended, by 27 votes to 11 with 7 abstentions (see para. 19 below, draft resolution I).

14. After the adoption of the draft resolution, statements were made by the representatives of Turkey, Finland, Zambia, the Netherlands (on behalf of the States Members of the United Nations that are members of the European Community) and the Union of Soviet Socialist Republics.

Recommendations of the Commission on Transnational Corporations at its seventeenth session and its contribution to the preparations for the United Nations Conference on Environment and Development

15. At the 18th meeting, on 24 July, the Committee adopted draft resolution II entitled "Recommendations of the Commission on Transnational Corporations at its seventeenth session and its contribution to the preparations for the United Nations Conference on Environment and Development (see para. 19 below, draft resolution II).

Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

16. At the 18th meeting, on 24 July, the Committee adopted draft resolution III entitled "Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting" (see para. 19 below, draft resolution III).

Provisional agendas and documentation for the eighteenth and nineteenth session of the Commission on Transnational Corporations

17. At the 18th meeting, on 24 July, the Committee adopted the draft decision entitled "Provisional agendas and documentation for the eighteenth and nineteenth session of the Commission on Transnational Corporations" (see para. 20 below, draft decision I).

Other proposals

Reports considered by the Economic and Social Council in connection with the question of transnational corporations

18. At the 18th meeting, on 24 July, on the proposal of the Chairman, the Committee took note of the report of the Commission on Transnational Corporations on its seventeenth session (E/1991/31) 2/ and the report of the Secretary-General on efforts by the United Nations to address the issue of corrupt practices (E/1991/31/Add.1) (see para. 20 below, draft decision II).

RECOMMENDATIONS OF THE FIRST (ECONOMIC) COMMITTEE

19. The First (Economic) Committee recommends to the Economic and Social Council the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Activities of transnational corporations in South Africa

The Economic and Social Council,

Recalling its resolution 1990/70 of 27 July 1990,

Taking note of the report of the Secretary-General on transnational corporations in South Africa, 3/

Reaffirming the Declaration on Apartheid and its Destructive Consequences in Southern Africa, adopted by the General Assembly at its sixteenth special session, 4/ which contains guidelines on how to end apartheid through genuine negotiations,

Noting the evolving situation in South Africa,

Mindful of its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 44/244 of 17 September 1990 and 45/176 A of 19 December 1990,

1. Notes the evolving situation in South Africa, including the repeal of the major apartheid laws, and urges the South African regime to incorporate compensatory mechanisms in land reforms in order to make the eradication of apartheid lasting and equitable;

2. Reaffirms that Governments, entrepreneurs and enterprises have comprehensive responsibilities to deny sustenance to the apartheid system;

3. Reiterates its call upon all transnational corporations to stop immediately any operations in South Africa and all forms of trade and economic links with the racist minority regime;

4. Further reiterates its call upon all multilateral financial and development institutions to cease immediately any kind of support or other form of collaboration with the racist regime in South Africa;

5. Requests the Secretary-General:

(a) In close cooperation with relevant organs of the United Nations, to continue the useful work of collecting and disseminating information on the activities of transnational corporations in South Africa, including the list of transnational corporations still conducting operations there;

(b) To continue preparing studies on the level and form of operation by transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy, and an updated study on the responsibilities of home countries with respect to the transnational corporations operating in South Africa in violation of relevant resolutions and decisions of the United Nations;

(c) To continue examining possible contributions of transnational corporations to the construction of a non-racial democratic South Africa in the economic and social fields, taking into account the special need to train black South African entrepreneurs;

(d) To report to the Commission on Transnational Corporations at its eighteenth session, the Economic and Social Council, the General Assembly and the Security Council on the implementation of the present resolution.

[FOR THE TEXT OF DRAFT RESOLUTION II AND III, SEE REPORT OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS ON ITS SEVENTEENTH SESSION (E/1991/31, CHAP. I, SECT. A)].

20. The First (Economic) Committee also recommends to the Economic and Social Council the adoption of the following draft decisions:

[FOR THE TEXT OF DRAFT DECISION I, SEE REPORT OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS ON ITS SEVENTEENTH SESSION (E/1991/31, CHAP. I, SECT. B)]

DRAFT DECISION II

Reports considered by the Economic and Social Council in connection with the question of transnational corporations

The Economic and Social Council takes note of the following documents:

(a) Report of the Commission on Transnational Corporations on its seventeenth session; 5/

(b) Report of the Secretary-General on efforts by the United Nations to address the issue of corrupt practices. 6/

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 37 (A/46/37).

2/ Official Records of the Economic and Social Council, 1991, Supplement No. 10 (E/1991/31).

3/ E/C.10/1991/10.

4/ General Assembly resolution S-16/1, annex.

5/ E/1991/31.

6/ E/1991/31/Add.1.